

CITY COUNCIL MEETING
June 16, 1993

PRESENTATION OF SMALL BUSINESS BOOKLET

CC-400

A presentation was made to the Mayor by Gillian Murphy, San Joaquin College, Small Business Development Center, of a booklet entitled, "Resource Guide to Starting & Operating a Small Business In Lodi".

HOW CAN WE ASSIST YOU?

- ☐ One-on-One Consulting
- ☐ Business Planning
- ☐ Start-up Requirements
- ☐ Expansion Assistance
- ☐ Marketing Plans
- ☐ Finance Information
- ☐ Classes
- ☐ Seminars
- ☐ Resource Library
- ☐ Sample Business Plans
- ☐ Reference Materials
- ☐ SBA Publications

Information, consulting and technical assistance are provided at no charge to the client. There are nominal charges for classes and seminars.

San Joaquin Delta College
Small Business Development Center
814 N. Hunter Street
Stockton, CA 95202

SAN JOAQUIN DELTA COLLEGE

Small Business Development Center

Business Assistance for:

- ❖ Small Business Owners
- ❖ Start-up Businesses
- ❖ Business Expansion

San Joaquin Delta College
Small Business Development Center

814 N. Hunter Street
Stockton, CA 95202
FAX (209) 474-5605
(209) 474-5089



SAN JOAQUIN DELTA COLLEGE SMALL BUSINESS DEVELOPMENT CENTER

The San Joaquin Delta College Small Business Development Center (SBDC) is dedicated to serving the needs of the small business community. The SBDC helps new and existing businesses with financial, marketing, production, organization, and technical problems. The SBDC staff, consultants and volunteers provide up-to-date consulting, training, and research assistance in all aspects of business management and business start-up.

Business Start-up and Expansion

The SBDC can help you with all aspects of business start-up and expansion, from preparing a business plan to assessing a location. The staff can assist you in determining the feasibility of your plans and help with the nuts-and-bolts tasks such as getting permits and licenses.

Trouble Shooting

Small businesses that are experiencing difficulties can meet with SBDC staff for ideas and solutions. Consultants may be able to provide services that can help an ailing business.

Consultants

Free one-on-one consulting is available to help with specialized needs of your business. Knowledgeable professionals can improve your business success.

Procurement Workshops

The SBDC sponsors workshops to help small business owners understand and participate in government contracting and procurement procedures.

Women Entrepreneurs is a program which is dedicated to increasing the economic independence of low-income women. The program includes training, classes, individual consulting and other support services. Women with limited financial resources are encouraged to participate.

Classes

Each semester, the SBDC offers classes at several locations. These classes include: Small Business Startup, Essential Topics for Small Business, and The New Entrepreneur. The courses cover a wide range of topics of interest to small business owners and those planning a business.

Seminars

Seminars are offered on specific topics of interest and importance to small business owners and managers.

Library

Books and publications on specialized areas of interest to small businesses are available at the SBDC library. Call or visit for more information.

Guides to Starting and Operating a Small Business are currently available for the cities of Stockton, Tracy, Manteca and Lodi. These helpful booklets contain the basic information necessary for small business owners. Everything from local permit and license requirements to tips on record keeping is included.

Mystery Shopper Program

A great benefit to small business, the Mystery Shopper Program will send secret shoppers to your business. These consultants will then provide a detailed evaluation of your services, products, and other aspects of your business with recommendations for improvement.

The California Small Development Center Program is a partnership of:

- San Joaquin Delta College
- State of California
- Chancellor's Office of the California Community Colleges
- U.S. Small Business Administration

The San Joaquin Delta College Small Business Development Center is partially funded by the U.S. Small Business Administration under Cooperative Agreement SB-2M-00157-01. The support given by the U.S. Small Business Administration through such funding does not constitute an expressed or implied endorsement of any of the co-sponsors' or participants' opinions, products, or services.

For more information contact:

**San Joaquin Delta College
Small Business Development Center**

814 N. Hunter Street
Stockton, CA 95202
FAX (209) 474-5605
(209) 474-5989

New service!

One-on-one free consulting to
assist in Government Contracting.

You can get:

- Assistance in marketing
- Computer bid match services
- Assistance in bid preparation
- Assistance in bid negotiations with the government
- Assistance in contract administration
- All at no charge!

The San Joaquin Delta College Small Business Development Center (SBDC) is now a Contract Procurement Sub-Center. This means that you can get help on government contracts from a knowledgeable consultant. Simply call the SBDC at 474-5089 for further information or to make an appointment.

GOVERNMENT CONTRACTS

Summer 1993

Introduction to Government Contracting

Topics to be covered¹ include:

Procurement Technical Assistance Program
Sealed bid process
Pricing
Proposal process
Pre-award surveys
Recent legislation

Wednesday, April 21, 9:00-12:00 noon

or

Wednesday, May 19, 9:00-12:00 noon

Intermediate Government Contracting

Topics to be covered include:

Small business contracting
Blanket Purchase Agreements (BPA)
Basic negotiation procedures
Advanced negotiation procedures
Cost and price analysis
Submitting cost or pricing data

Wednesday, June 16, 9:00-12:00 noon

Sponsored by: San Joaquin Delta College Small Business Development Center, the Economic Development Association Business Retention & Expansion Program, and SCORE (Service Corps of Retired Executives)

All workshops will be held at 814 N. Hunter. A \$20 registration fee covers each workshop and materials. To register, mail this form along with the \$20 fee per workshop (check payable to SCORE) to the Economic Development Center, 814 N. Hunter, Stockton, CA 95202. Registration is limited to 15 participants per workshop.

Name _____

Address _____

City _____ Zip _____

Phone _____

I will attend a workshop(s) on:

☐ April 21

☐ May 19

☐ June 16

CLASSES

Summer 1993

Small Business Startup (BUS 94A)

This class is designed especially for those persons wanting to own their own business. Course topics include, but are not limited to: personal traits for success, the feasibility study, product or service, accounting systems, business financing, organizational and legal structure, and basic management principles.

June 22-July 8, Tues & Thurs 6:30-9:30 p.m.
Cunningham 101, Delta College Cost: \$10
Code: 11657

Essential Topics for Small Business (BUS 94B)

This class is designed for persons who own their own business or plan to become business owners. The class topics include but are not limited to: location, layout, inventory control, crime prevention, and franchising.

July 10-July 24, Saturday 9:00 a.m.-3:00 p.m.
Cunningham 101, Delta College Cost: \$10
Code: 24787

These classes are for-credit courses. To register, complete the Delta College application for admission, available at the Admissions Office in Locke 128 or from the Small Business Development Center, 814 N. Hunter. For more information call 474-5089 or 474-5625.

SEMINARS

Summer 1993

SMALL BUSINESS BASICS

Starting Your Own Business: Home-Based Business

June 26, Saturday; 9:00 a.m.-4:00 p.m. Holt 123
Instructor: Stephen Halley \$37 Code: 29883

Marketing Your Small Business

July 10, Saturday; 9:00 a.m.-4:00 p.m. Holt 123
Instructor: Stephen Halley \$35 Code: 32977

MANAGEMENT

Team Building & Motivation

June 10, Thursday; 6:00-9:00 p.m. Holt 123
Instructor: Diane Feneck \$21 Code: 29844

Assertiveness: A Positive Way of Working & Living

June 21, Monday; 12:30 p.m.-6:30 p.m. Shima 111
Instructor: Danni Burton \$35 Code: 32899

How to Be a Better Supervisor

June 24, Thursday; 9:00 a.m.-3:00 p.m. Holt 123
Instructor: Helen Scully \$33 Code: 29805

Interview & Select the Right Person

July 27, Tuesday; 6:00-9:00 p.m. Holt 123
Instructor: Diane Feneck \$21 Code: 27205

COMPUTERS

Beginning Word Perfect for the Apple Mac

June 12, Saturday; 9 a.m.-3:30 p.m. Cunningham 226
Instructor: Florence Quilantang \$33 Code: 75734

Beginning Word Perfect for IBM Compatible Computers

June 19, Saturday; 9 a.m.-3:30 p.m. Shima 218
Instructor: Florence Quilantang \$33 Code: 75747

MISCELLANEOUS BUSINESS SKILLS

True Colors™

June 5, Saturday; 9:00 a.m.-3:00 p.m. Shima 143
Instructor: Diane Feneck \$35 Code: 32938

(see other side for more workshops and registration info)

MISCELLANEOUS BUSINESS SKILLS (cont.)

Effective Business Writing

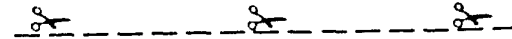
July 24, Saturday; 9:00 a.m.-4:00 p.m. Shima 142
Instructor: Kerry Davis \$39 Code: 27114

How to Produce Effective Newsletters/Brochures

July 21 & 28, Wednesday; 6:30-9:30 p.m. Shima 122
Instructor: Laurie Litman \$35 Code: 33029

Creating an Employee Handbook

June 26, Saturday; 9:00 a.m.-3:30 p.m. Holt 140
Instructor: Jeri Johnson \$33 Code: 32990



All seminars are held at Delta College. To register, fill out this form and mail it with a check or money order to:

San Joaquin Delta College
Registration Office, 128 Locke
5151 Pacific Ave
Stockton, CA 95207-6370

Social Security # _____

Name _____

Street _____

City _____

Zip _____

Phone (day) _____

Phone (evenings) _____

Seminar _____

Code # _____

Check/money order enclosed \$ _____

RESOURCE GUIDE

TO



STARTING & OPERATING
A SMALL BUSINESS
IN LODI



*Prepared by the
San Joaquin Delta College
Small Business Development Center*



*The San Joaquin Delta College
Small Business Development Center
is grateful for the support of
the City of Lodi in the production
of this publication.*

The San Joaquin Delta College Small Business Development Center is a participant in the California Small Business Development Center program in partnership with and funded by:

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- State of California
- Chancellor's Office of the California Community Colleges
- U.S. Small Business Administration



Printed on recycled paper

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Introduction

Having your own small business can be the fulfillment of lifetime dreams. It can also be confusing, intimidating and frustrating. There are many things to think about — regulations, financing, taxes, permits, and more. We hope that this booklet will provide you with information and confidence to help you move through the maze.

Starting a business means taking a risk. Not all small business ventures succeed, but there are things you can do to minimize your risk. Again, this booklet can help you.

There are two major areas that will make a critical difference to your success. One is *planning*. You need to carefully plan your start-up, costs and timelines, know what you have to do and where you are going with your business. The other is knowing *how to get help*. You don't need to be an expert on every aspect of small business operation, but you do need to know how to find answers from people who are experts.

This booklet is designed as a resource to help you accomplish those two tasks — good planning and where to go for additional assistance. We don't have all the answers here since each business has different needs and requirements. There is, however, enough information to get you to the organizations, agencies, books, and other resources that can answer your questions and give you guidance.

Good luck in your exciting endeavor!

The Ten Most Common Pitfalls to Succeeding in a Small Business

- 1. Insufficient assessment of professional and personal skills**
- 2. No business plan**
- 3. Inadequate financing**
- 4. Incomplete records**
- 5. No marketing strategy**
- 6. Inappropriate location**
- 7. Not implementing good management**
- 8. Hiring the wrong people**
- 9. Poor customer service**
- 10. Unwilling to ask for help**

Checklist

- ☐ Develop a Business Plan *(page 5)*.
- ☐ Consult with necessary professionals *(page 10)*.
- ☐ Decide on a legal structure *(page 11)*.
- ☐ Obtain necessary insurance coverage *(page 10)*.
- ☐ File a Fictitious Business Name Statement, if applicable, with a local newspaper and the County Clerk. Also, file an affidavit of publication within 30 days of the newspaper ad with the County Clerk *(page 12)*.
- ☐ Obtain a business license from the Finance Department *(page 13)*.
- ☐ Obtain other necessary permits or licenses from the city, state and federal governments *(page 14)*.
- ☐ Check the zoning laws and land use ordinances that might apply *(page 14)*.
- ☐ Apply for a Federal Identification Number *(page 19)*.
- ☐ Apply for a State Employer Tax Identification Number *(page 18)*.

Note that these are not all of the requirements necessary to start your business. For more information regarding your requirements contact one of the agencies listed on pages 6-9.

Business Plan

A Business Plan is your guide to your business. It assists you in analyzing the feasibility of a new business, the expansion of an existing business, etc. It defines your customers and competitors and points out your strengths and weaknesses. It details your plans for the future. Your Business Plan should be concise, factual, and easy to read. The finished product should have a separate paragraph or list for each aspect of your Business Plan with a heading that identifies the subject you are discussing.

SAMPLE BUSINESS PLAN OUTLINE

- I. Summary
 - A. Business Description
 - 1. Name
 - 2. Location and plan description
 - 3. Product/service
 - 4. Market and competition
 - 5. Management experience/expertise
 - B. Business goals
 - C. Summary of financial needs and application of funds
 - D. Earnings projections
- II. Market Analysis
 - A. Description of total market
 - B. Industry trends
 - C. Target market
 - D. Competition
- III. Products or Service
 - A. Description of product line or service
 - B. Proprietary position
 - C. Comparison with competitors' products or services
- IV. Marketing Strategy
 - A. Overall strategy
 - B. Pricing policy
 - C. Method of selling, distributing, and servicing products or services
- V. Management Plan
 - A. Form of business organization
 - B. Board of Directors/Advisors composition
 - C. Officers, organization chart and responsibilities
 - D. Resumes of key personnel
 - E. Staffing plan/number of employees
 - F. Facilities plan/planned capital improvements
 - G. Operating plan/schedule of upcoming work for two years
- VI. Financial Data
 - A. Financial statements (previous 3-5 years)
 - B. Five-year financial projections
 - 1. Income statement (profit/loss statement)
 - 2. Balance sheets
 - 3. Cash flow
 - 4. Capital expenditures
 - C. Explanation of projections
 - D. Key business ratios
 - E. Explanation of use and effect of new funds (loans, etc.)

You Don't Have To Do It Alone (Organizations which provide assistance)

The San Joaquin Delta College Small Business Development Center (SBDC) is dedicated to serving the needs of the small business community. The SBDC helps new and existing businesses with financial, marketing, production, organization, and technical problems. The SBDC staff, consultants and volunteers provide up-to-date consulting, training, and research assistance in all aspects of business management and business start-up.

Business Management

- One-on-one technical and business consulting
- Business planning
- Start-up requirements
- Expansion assistance

Training

- Classes on starting and operating a small business
- Seminars on business management, financing, employee issues, marketing, customer service, etc.

Resources

- Reference Library (see page 23)
- SBA publications
- Referrals

Information, consulting, and technical assistance are provided at no charge to the client. There are nominal charges for classes and seminars.

**SAN JOAQUIN DELTA COLLEGE
SMALL BUSINESS DEVELOPMENT CENTER**
814 N. Hunter
Stockton, CA 95202
(209) 474-5089
FAX (209) 474-5605

The Lodi District Chamber of Commerce serves businesses in Lodi in a variety of ways. The Chamber offers seminars and networking opportunities. They work on local issues of interest to business and will act as ombudsmen with concerns and problems that arise. The Chamber emphasizes Grand Openings with publicity through its monthly Lodi Business newspaper. The Chamber also offers free counseling to small business owners each week in cooperation with SBA/SCORE.

LODI DISTRICT CHAMBER OF COMMERCE

1330 S. Ham Lane/P.O. Box 386
Lodi, CA 95241
(209) 367-7840

The Economic Development Association (EDA) focuses on the needs of development prospects, local businesses, and assists companies to locate in San Joaquin County using up-to-date information to support community economic development. Through cooperation with other agencies, the EDA offers the following services:

- Building and site availability
- Economic development database information
- Regional economic development studies
- Topographic mapping
- Geotechnic reports
- Water and soil analysis
- Labor market information

ECONOMIC DEVELOPMENT ASSOCIATION

814 N. Hunter St.
Stockton, CA 95202
(209) 468-3615

SCORE, the Service Corps of Retired Executives, is a nonprofit association which provides free business counseling by men and women who have had successful business careers as company executives or owners of their own businesses. These volunteers are willing to share their knowledge and experience at no charge to people wanting to start their own business.

SCORE
401 N. San Joaquin St., Room 215
Stockton, CA 95202
(209) 946-6293

NEDA San Joaquin Valley, Inc. is the private, non-profit business consulting firm operating the Minority Business Development Center (MBDC). NEDA offers a wide range of services to ethnic minority owned businesses including financial development, construction and procurement assistance, marketing development, and management assistance. In essence, NEDA can assist with almost every aspect of business and the fees are very affordable.

NEDA SAN JOAQUIN VALLEY, INC.
305 N. El Dorado, Suite 305
Stockton, CA 95202
(209) 467-4774

Women Entrepreneurs is a program of San Joaquin Delta College Small Business Development Center. The primary goal is to assist economically disadvantaged women by increasing their financial independence. Women Entrepreneurs provides in-depth training in each step of starting and operating a business. The program also assists women with personal development, self confidence, communication, assertiveness, and presentation. The program provides teaching and coaching in a personal and supportive climate.

WOMEN ENTREPRENEURS
814 N. Hunter Street
Stockton, CA 95202
(209) 474-5089

The Stockton/San Joaquin Black Chamber of Commerce was established to: strengthen the communications between the general market place and the Black community; assist business people in providing services to the Black consumers; assist in the economic development of the Stockton/San Joaquin community; express the concerns regarding legislation and issues affecting the economic growth and development of the Stockton/San Joaquin community; and to assist in providing meaningful employment in the community.

BLACK CHAMBER OF COMMERCE

11 S. San Joaquin St., Suite 310
Stockton, CA 95202
(209) 466-7222

The Mexican-American Chamber of Commerce works to establish a positive image for the Hispanic business community and promote awareness of Hispanic resources; strengthen the coalition of Hispanic business owners and develop an Hispanic business network; stimulate new Hispanic business enterprises; increase capital and marketing resources; gather business trade and educational data for dissemination to Hispanic communities-at-large; and serve as an advocate of the Hispanic business community in such areas as trade development, legislation, civic and consumer affairs affecting the state's economy and business vitality.

MEXICAN-AMERICAN CHAMBER OF COMMERCE

343 E. Main St., Suite 700
Stockton, CA 95202
(209) 943-6117

The Filipino-American Chamber of Commerce is a non-profit corporation established to foster the socio-economic growth of Filipinos and Filipino entrepreneurs in San Joaquin County. Through its supportive programs and activities, the Chamber endeavors to create a cohesive business community that promotes vitality and resources for the greater community.

FILIPINO-AMERICAN CHAMBER OF COMMERCE

311 E. Main, Suite 201
Stockton, CA 95202
(209) 546-7807

Professionals

There are a number of outside professionals with whom a business person will want to establish a relationship.

Accountant

An accountant should be consulted to set up a good bookkeeping system for your business. Inadequate recordkeeping is a principal contributor to the failure of small businesses. Make sure that you understand the bookkeeping system you are using.

Attorney

An attorney's services are not only essential in the planning stages of your business, but throughout the life of the business. The attorney can assist you in choosing your legal structure, drawing up agreements and contracts and providing information on your legal rights and obligations. A Lawyer Referral Service, sponsored by the San Joaquin County Bar Association, is available at 301 E. Weber Ave, Stockton, 948-4620.

Banker

The capital requirements of a small business make it essential that a good working relationship be established with a local banker. Bankers are a good source of financial information and for obtaining financing. It is recommended that you establish a relationship with your banker prior to applying for a loan.

Insurance Agent/Broker

An insurance agent or broker can advise you about the type and amount of coverage that is necessary for your business. The agent may be able to tailor a package that meets your specific needs at reasonable rates. You may need:

- Liability Insurance
- Basic Fire Insurance
- Extended Coverage
- Vandalism and Malicious Mischief Coverage
- Theft Coverage
- Automobile Insurance
- Product Liability Coverage
- Business Interruption Insurance
- Worker's Compensation

Legal Structure

Most small businesses start out as either a sole proprietorship or a partnership but many eventually explore the transition to a corporation or S corporation. Contact an attorney and/or accountant to learn the advantages and legal requirements of each to decide which form is best for you.

Sole Proprietorship

This is the simplest and least regulated form of organization with minimal legal start-up cost. One person owns and operates the business and is responsible for procuring financing. The sole proprietor has total control, receives all profits, and business income is taxed as personal income. The major disadvantages include unlimited personal liability for the owner for all claims, taxes and debts against the business, and potential dissolution of the business upon the owner's death.

Partnership

A partnership is relatively easy to form and can provide additional financial and managerial resources. Each partner is an "agent" for the partnership and can individually hire employees, borrow money and operate the business. Profits are taxed as personal income and the partners (who act as co-owners) are still personally liable for debts and taxes. Personal assets can be attached and liquidated if the partnership itself cannot satisfy creditors' claims. A special arrangement, called a "limited partnership," allows partners to avoid personal asset liability. The IRS has special income tax rules for limited partnerships and they must be registered with the offices of the County Clerk (p. 12) and the Secretary of State (p. 16). Limited partnerships also must pay a franchise fee. When entering into any partnership, a written agreement is essential.

Corporation

The most complex of business organizations, the corporation acts as a legal entity which exists separately from its owners. While limiting the owners from personal liability, this creates a "double taxation" on earnings (corporate tax and personal tax). Corporate structure may be advantageous because it allows capital to be raised more easily through the sale of stocks or bonds and can continue to function as a business even without key individuals. It also enables employees to participate in various types of insurance and profit-sharing plans. It costs \$900 to incorporate and an annual "Statement of Domestic Incorporation" must be filed with the Secretary of State. The corporation must also prepay its annual minimum franchise tax of \$800 to the Secretary of State (p. 16). A special type of corporation, an S corporation, allows owners to overcome the double tax and shareholders to offset business losses with personal income. S corporations are subject to an annual surcharge.

Fictitious Business Name Statement

File a Fictitious Business Name Statement with the County Clerk only if the business name you have chosen is different from your own legal name. For example, if your legal name is Joe Smith, and you have chosen a name that includes your *last name* ("Joe Smith's Auto Repair" or "Smith's Auto Repair") then you do not need to file.

In general, if a business name does not have the last name of all owners, differs from the incorporation documents or implies greater ownership, a fictitious name is involved. Adding words such as "and company," "son/daughter," and "associates" implies greater ownership and is treated as an assumed name. (You should first look up your proposed business name to make sure that no other business is using that name.)

Your Fictitious Business Name Statement must be published in a newspaper of general circulation in the county where the principal place of business is located once a week for four successive weeks and an affidavit of publication filed with the county clerk within 30 days after publication.

County Clerk

County Courthouse, 222 E. Weber Ave., Room 155
Stockton, CA 95202
(209) 468-2362

Lodi News Sentinel

125 N. Church / PO Box 1360
Lodi, CA 95240
(209) 948-5634
\$48.00 (\$2.75 over 2 names)

Linden Herald

P.O. Box 929
Linden, CA 95236
(209) 887-3112
\$24.95 (\$5.00 each additional name)

Manteca Bulletin

531 E. Yosemite / PO Box 912
Manteca, CA 95336
(209) 239-3531
\$60.00

Ripon Record

130 W. Main St.
Ripon, CA 95366
(209) 599-2194
\$48.00

Tracy Press

145 W. 10th St.
Tracy, CA 95376
(209) 835-3030
\$55.10 (one name)

Escalon Times

1537 2nd St. / PO Box 98
Escalon, CA 95320
(209) 838-7043
\$58 (\$3 each additional name)

Lockeford/Clements News

19618 N. Tully Rd. / PO Box 76
Lockeford, CA 95237
(209) 727-5776
\$25.00

Stockton Record

530 E. Market St.
Stockton, CA 95202
(209) 943-0253
\$83.78

***Prices subject to change without notice (verified 11/92).*

Licenses, Permits, and other Regulations

One of the most confusing aspects of starting a business is the maze of government regulations. While this process may be intimidating, it is important to do it correctly, since noncompliance can result in costly penalties. It is *your* responsibility to adhere to any and all regulations applicable to your business. If you are not sure about something...ASK!

BUSINESS LICENSE

In order to operate a business within the City of Lodi, whether it be from a store, office, factory, your vehicle or your home, you must have a valid business license. The type of license depends on the nature of your business and is renewed on an annual basis. Cost of the license varies depending on the number of employees of the business. The Finance Department will guide you through the process. To apply:

Finance Dept., License Division
City Hall
221 W. Pine Street
Lodi, CA 95240
(209) 333-6717

Home Occupation Permit — A limited range of business activities is permitted from a residence. If you are opening a business out of your home, you may be required to apply for this permit *in addition* to the business license. The Finance Department will direct you to the Community Development Department to obtain a Home Occupation Permit Application to be submitted to the Finance Department with your business license application. At this time there is no fee for this permit.

Police Clearance — Some businesses require police clearance and permit. The License Division will tell you if this is necessary. (Fees vary.)

Police Department
230 W. Elm
Lodi, CA 95240
(209) 333-6727

Contact the Community Development Department regarding zoning or other land use questions.

Planning & Zoning Division
City Hall
221 W. Pine Street
Lodi, CA 95240
(209) 333-6711

Call the Building Division if you need any plan check, building inspections, or questions regarding handicapped access. It is a good idea to talk to a building inspector to determine whether a permit is needed.

Building Division
City Hall
221 W. Pine Street
Lodi, CA 95240
(209) 333-6714

Liquor License — You will need a license to sell liquor in your business. You must fill out a pre-application and, if accepted, pay the following:

Beer/Wine for full restaurant	\$300.00; \$205.00 annual renewal fee
Beer/Wine for grocery store	\$134.00
Off Sale Liquor (fee varies)	\$16,000.00
Bar (fee varies)	\$18,000.00

Alcoholic Beverage Control Department
31 E. Channel St.
Stockton, CA 95202
(209) 948-7739

Food Permit — If you are producing, handling, or distributing food products to the public, you may need this permit. Fees vary depending on the type of business. If you are caught operating without a permit, the fee is doubled. The Environmental Health Division offers food handling training (\$80). When starting a restaurant or food facility or making changes (such as remodeling) it is necessary to get a Plan Check (\$220).

San Joaquin County Environmental Health Division
445 N. San Joaquin St.
Stockton, CA 95202
(209) 468-3420

Some types of professional businesses must be licensed, for example doctors, nurses, veterinarians, contractors, auto repair. Call for information.

Department of Consumer Affairs

1020 N. St.
Sacramento, CA
(916) 445-1254

Automotive Repair Bureau

2857 Transworld Dr., Ste. 2
Stockton, CA 95206
1-800-952-5210

Contractor's License

9835 Goethe Road
Sacramento, CA 95827
1-800-321-2752

Contractor's License (Modesto Branch)

3320 Tully Rd., Suite B-8
Modesto, CA 95350
(209) 576-6235

CERTIFICATION — It may be to your advantage to be certified if you are a minority, woman, or disabled veteran owned business or a small business owner and want to apply for government contracts. (For local assistance, call the Minority Business Development Center, 467-4774, or the Small Business Development Center, 474-5089.)

Minority or Woman Owned Business:

Caltrans Office of Civil Rights (916) 654-4576

Small Business or Disabled Veteran Owned Business:

Office of Small and Minority Business (916) 322-5060

Additional Resources

EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD) is a major source of job-ready, experienced employees. They have the largest single data base of employers and workers in San Joaquin County and access to more than 500,000 job applicants state-wide. The Labor Market Information Division of EDD can provide current data on a very wide range of local labor market topics including local wage and salary surveys, statistics for affirmative action programs, and historical economic data. They can also help businesses acquire all their mandated posters.

EMPLOYMENT DEVELOPMENT DEPARTMENT

631 Oak Street
Lodi, CA 95241
(209) 533-6960

SECRETARY OF STATE

If you are filing as a limited partnership, register with:

Secretary of State Limited Partnerships Division
923 12th Street, 3rd Floor,
Sacramento, CA 95814
(916) 324-6769

If you are filing as a corporation or S corporation, register with:

Secretary of State Corporate Filing Division
1230 J Street, Sacramento, CA 95814
(916) 445-0620

SMALL BUSINESS INNOVATION RESEARCH PROGRAM (SBIR)

This program enables qualified small businesses to compete for research project funding from the Federal Government. To obtain a copy of the Pre-Solicitation Announcement, contact:

SBA Office of Innovation, Research and Technology
1441 L Street N.W.
Washington, DC
(202) 653-6458

CALIFORNIA STATE TELEPHONE DIRECTORY

This publication, produced by the Department of General Services, provides information including: phone numbers for each state agency, procurement and contact persons in each department, state accounting offices, state loan programs, state regulations and state-regulated programs, state legislators and more. To order, call (916) 973-3740 (cost: \$9.00).

For Employers

GENERAL INFORMATION

Information regarding wage claims, minimum wage, hours and working conditions:

Dept. of Labor Standards
31 E. Channel St., Rm. 317
Stockton, CA 95202
(209) 948-7770

Information on workers' benefits for employees, work-related disabilities, illness or fatalities.

Workers Compensation
31 E. Channel St.
Stockton, CA 95202
(209) 463-6201

For regulations regarding computation and employee withholding:

Social Security Administration
1313 W. Robinhood Dr.
Stockton, CA 95207
1-800-772-1213

HEALTH AND SAFETY REGULATIONS

You have a legal, as well as a moral obligation to provide a safe working environment for your employees. You must operate your business in compliance with California and Federal OSHA requirements. Contact the U.S. Dept of Labor for information on Federal OSHA and Cal-OSHA for information regarding state requirements.

U.S. Department of Labor
2981 Fulton Ave.
Sacramento, CA 95821
(916) 978-4233

Cal-OSHA (Occupational Safety & Health) Consultation Service
2424 Arden Way, Suite 410
Sacramento, CA 95825
(916) 920-6131

Taxes

Being an entrepreneur does not preclude you from paying taxes to the IRS or the State of California.

Seller's Permit — If you sell a product you must pay sales tax. You do not have to pay a tax on services. There are regulations that govern certain types of businesses that are not "clear cut." For example, tailors offer both a service and a product. At a certain point, they must charge tax on the labor. If you are in doubt as to whether or not your business falls under these types of regulations, call and inquire.

Board of Equalization
31 E. Channel Street
Stockton, CA 95202
(209) 948-7720

If you sell cigarettes, alcoholic beverages, energy, motor vehicle fuel, or hazardous substances you must pay an excise tax:

Excise Tax Unit
(916) 739-2582

For forms to file individual state income tax. Also, you must register here if you are a corporation:

Franchise Tax Board
31 E. Channel Street
Stockton, CA 95202
1-800-852-5711

For employer's guides, disability, insurance tax, state withholding tax, unemployment insurance tax:

Stockton Tax Office
2529 W. March Lane, Suite 105
Stockton, CA 95207
(209) 956-1438

INTERNAL REVENUE SERVICE (IRS)

The IRS has many free publications to assist business owners. Below is a partial listing.

- #15 Circular E: Employer's Tax Guide
- #334 Tax Guide for Small Business
- #505 Tax Withholding & Estimated Tax
- #509 Tax Calendar
- #533 Self-Employment Taxes
- #534 Depreciation
- #535 Business Expenses
- #538 Accounting Periods and Methods
- #583 Taxpayers Starting a Business
- #587 Business Use of Your Home
- #917 Business Use of a Car
- #937 Business Reporting

Other forms you may need:

- Schedule C Profit or Loss from Business
- Schedule SE Social Security Self-Employment Tax
- Form SS-4 To apply for an Employer ID Number. (An employer ID number is mandatory if you have employees.)
- Form W-4 Employees withholding allowance certificates.
- Form 730 Taxes on wagering, for example if you sell lottery tickets.
- Form 941 Employers quarterly federal tax return, also social security tax, federal unemployment tax, and FUTA.
- Form 940-EZ Employers annual federal unemployment tax return.
- Form 720 Excise tax, quarterly federal excise tax return.
- Form 1040-ES Estimated Tax for Individuals
- Form 2290 Use of highways by certain trucks, tractors and buses.
- Form 4070-A Tips, withholding and reporting.
- Form 8109 Federal tax deposit coupon book. (You may pay taxes by depositing your payments in an authorized financial institution.)

Annual Income Tax Returns — Every business must file an annual income tax return. Which form depends on how your business is organized. Sole Proprietor: Schedule C; Form 1040; Partnership: Form 1065; Corporations: Form 1120 S

IRS

1550 W. Fremont #150
Stockton, CA 95203
1-800-829-1040 (information and assistance)
1-800-829-3676 (forms)
Teletax Recorded Information: 1-800-829-4032

STATE OF CALIFORNIA (contact Stockton Tax Office — see page 18)

- #DE 4525 Employer's Guide
- #DE 44 Personal Income Tax Withholding Guide

Recordkeeping

Keeping accurate and up-to-date records is crucial to a successful business. Records are the most important management "tool" you possess.

There are many different systems for recordkeeping. The important point is that you *understand whatever system you decide to use*. It is very helpful to consult an accountant to help you find a system that is best for your needs.

Be sure to open a business bank account and keep all your business transactions separate from your personal finances. Deposit all receipts promptly. Decide on who will sign the checks. Pay all expenses by check. Open a tax account to keep tax collections (sales, Social Security, income) and estimates separate from sales revenues.

It is also important that you distinguish between income received from business transacted within and outside of the city. The city taxes receipts for business within the city only. If you are unable to show which receipts are for business in Lodi, you will be taxed on total receipts, which could be considerably higher. The city can call for an audit at any time. For information, contact the Finance Department, 333-6717.

Hotlines (in English only)

U.S. SBA Small Business Answer Desk: (800) 827-5722

Office of Small and Minority Business Telebiz: (916) 322-5060

Small Business Help-Line: (916) 327-HELP (4357)

State Consumer Insurance Hotline: (800) 927-4357

U.S. Department of Commerce: (202) 482-2000

Small Business Ombudsman of the US Environmental Protection
Agency: (800) 368-5888

Financing

Sufficient capital is essential for both start-up and expansion of a business. In fact, inadequate financing is one of the major causes of business failure. In order to avoid this pitfall, you must not only have enough money but also the knowledge to manage it well. *Planning is essential.* Constantly review and update your Business Plan. It should include short and long-term projections and strategies based on realistic figures covering at least the next three years. Also include budgets, investment and expenditures, operating leverages, loans, risks, equities, assessments, sales, profits and cash flow schedules and management.

When starting a business, it is good to have at least a 12-month financial cushion so you can handle all of your expenses with no revenue from the business. This will allow you to minimize your risks while establishing your business.

A good business plan can help you get a loan. Borrowers should also provide profit/loss statements, tax returns and a current balance sheet. Be prepared to demonstrate the ability to repay and the capacity to manage funds effectively. Borrow prudently and do not overextend yourself.

The Small Business Administration (SBA) offers a variety of loan programs to eligible small businesses. Most of the loans are made by private lenders and then guaranteed by the SBA. While it is not necessarily easier to be approved, the guarantee will allow you to obtain a loan with a longer maturity, better terms and interest rates, thereby reducing your payments and initial loan burden. However, you must generally have at least a one-third equity stake in the business. The average size loan is \$175,000. Local banks generally provide loans starting at \$25,000.

The California Department of Commerce has a loan guarantee program which it administers through business development corporations that provide guarantees up to \$350,000. In addition, there is a micro-loan program for loans under \$25,000 which is targeted towards but not limited to women, handicapped, and ethnic minority businesses. California Capital Corporation, which services San Joaquin County, was established to make loans available to small businesses who would otherwise be excluded from bank financing. Contact California Capital, (916) 442-1729.

Lodi Public Library

The Lodi Public Library is an excellent resource for your small business information needs. Come to the library with your questions. If they don't have the specific answers, they can point the way to people and places in the community that may help you. The library can also arrange to borrow books from other libraries if they are not available in Lodi. Library hours are Monday-Thursday from 10 am- 9 pm and Friday & Saturday, 10 a.m-6 p.m.

LODI PUBLIC LIBRARY
201 W. Locust
Lodi, CA 95240
(209) 333-8507

Reference materials

Reference materials are highly used information sources which cannot be checked out but must be used in the library. Some of these books offer a variety of factual information such as:

Small Business Sourcebook, Carol Schwarz, editor, 1991

Franchise Opportunities Handbook, U.S. Dept. of Commerce, 1991.

The Rating Guide to Franchises, by Dennis Foster, 1988.

The 50 Best Low-investment, High-profit Franchises, by Robert L. Perry, 1990.

Books

The library has books on most subjects relating to business formation and operation. There are books on how to write your Business Plan, working with employees, marketing, computers, bookkeeping and much more. And if the book or subject you want is not available, the library staff can help you locate the information. Look in section 658.022 for basic information on small business start-up.

Specialized Business Information

Ask at the Reference Desk for specialized information. You can also call 333-8507 or 333-8508 with questions.

Pamphlet Files

Pamphlets contain some information about various aspects of business. Files are arranged alphabetically by subject. Ask the library staff about specific areas of information you need. They'll be glad to get you started.

Small Business Development Center Library

The San Joaquin Delta College Small Business Development Center has an extensive library available to people starting or operating a small business. This is an easy way to find resources to help you.

Small Business Administration Publications

A variety of publications is available from the SBA in such areas as products/ideas/inventions; financial management; management and planning; marketing; crime prevention; personnel management. (You may read the publications at the Small Business Development Center or order them from SBA Publications, P.O. Box 30, Denver, CO 80201. The SBA charges for the publications.)

Videos

How to Really Start Your Own Business
How to Succeed in a Home Business
Women in Business
How to Find New Customers
The Tough Sell
Making Effective Sales Calls

Business Guides to Starting...

Child Care Service
Senior Day Care
Catering Service
Restaurant
Bookkeeping Service
+ 35 additional specific businesses

Resource Books

Starting and Operating a Business in California
California Corporation Start-up
Small Time Operator
The Inventor's Notebook
Thomas Register
Encyclopedia of Associations
Streetsmart Marketing

Other Resources in

Management
Advertising
Marketing
Legal
Research
Bookkeeping/Accounting

APPENDIX

A. Miscellaneous Statistical Data

Lodi is located 90 miles east of San Francisco and 34 miles south of Sacramento with a total area of 11.3 square miles. The City was incorporated on December 6, 1906 under General Law with the State of California and operates under the Council/Manager form of government.

MUNICIPAL SERVICES

The City of Lodi has owned and operated the electrical distribution system, which serves customers within city limits, since 1910. The city water source is 100% ground water provided by 22 active wells. The city also owns and operates the wastewater treatment system. Refuse service is provided through the Sanitary City Scavenger Company. To apply for utility service contact:

City of Lodi Finance Department (*water, electricity, sewer, refuse*)

221 W. Pine Street

Lodi, CA 95240

(209) 333-6719

PG&E (*gas*)

12 W. Pine Street

Lodi, CA 95240

1-800-585-5598

Pacific Bell (*telephone*)

No local office. Call 1-811-4900 for service (no charge).

King Video Cable TV

1521 S. Stockton Street

Lodi, CA 95240

(209) 369-7451

INTRACITY TRANSPORTATION

The city maintains over 159 miles of roads. Public transportation needs are administered by the city Dial-A-Ride program. Tickets must be purchased prior to calling for a ride from: City Hall Finance Dept, 221 W. Pine; Loel Center, 105 S. Washington; Farmers & Merchants Bank, 121 W. Pine and 1020 W. Kettleman; the Senior Citizen Information & Referral Center, 600 W. Oak. There is a discount rate for senior/disabled citizens. Call 333-6806 for rides.

PUBLIC SAFETY

The City of Lodi has a centralized Police Station located at 230 W. Elm St., (209) 333-6727. The Main Fire Station is located at 210 W. Elm St. and the city maintains two substations. Call (209) 333-6735.

B. Income Characteristics

HOUSEHOLD INCOME	LODI	STOCKTON	ESCALON	MANTECA	TRACY	LATHROP	RIPON
Total Households	19,121	68,923	1,603	13,466	11,209	1,866	2,474
50-4999	619	3,453	64	351	223	18	46
5,000-9,999	1,873	7,910	235	954	854	115	169
10,000-12,499	864	3,786	39	565	322	81	116
12,500-14,999	883	3,646	60	504	352	90	36
15,000-17,499	837	3,580	78	604	280	130	64
17,500-19,999	924	3,004	60	456	270	69	92
20,000-22,499	1,004	3,802	55	507	416	65	102
22,500-24,999	773	2,963	40	492	310	57	139
25,000-27,499	928	3,089	67	565	401	64	105
27,500-29,999	604	2,673	48	506	340	59	81
30,000-32,499	851	3,031	61	573	575	99	147
32,500-34,999	666	1,883	55	638	350	57	112
35,000-37,499	636	2,463	113	544	486	85	121
37,500-39,999	741	1,770	24	481	370	94	91
40,000-42,499	769	2,401	55	618	542	126	121
42,500-44,999	427	1,735	39	395	332	87	91
45,000-47,499	636	1,868	52	532	534	38	92
47,500-49,999	438	1,389	89	422	329	32	71
50,000-54,999	911	2,953	52	882	729	134	147
55,000-59,999	543	1,945	88	683	805	106	110
60,000-74,999	1,669	4,466	103	1,200	1,237	144	203
75,000-99,999	853	2,989	86	633	829	95	139
100,000-124,999	231	1,123	21	181	250	14	30
125,000-149,000	115	427	8	66	35	0	27
150,000 or more	206	574	11	114	38	7	22
Median Income 1990	\$30,739	\$26,876	\$32,275	\$35,083	\$40,256	\$35,853	\$35,579
% of county median	1.003	87.7	1.053	1.145	1.314	1.17	1.16

Source: 1990 Census

C. Taxable Sales & Permits

SALES (thousands of \$):	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Apparel Stores	5,953	6,869	6,883	7,289	7,737	8,780	9,726	10,283	9,909	9,549
General Merchandise Stores	22,013	23,600	26,521	31,714	33,630	36,218	35,077	39,205	41,672	40,089
Drug Stores	12,556	13,465	12,980	13,412	13,504	14,166	14,456	16,987	18,066	17,719
Food Stores	15,046	18,166	21,461	24,148	25,140	27,908	33,006	37,717	35,525	40,197
Packaged Liquor Stores	6,933	7,328	7,174	5,960	5,669	6,138	6,132	6,123	4,558	3,956
Eating & Drinking Places	21,675	23,811	25,235	27,911	32,166	32,246	34,606	36,810	40,361	39,302
Home Furnishings/Appliance	7,688	9,712	11,186	11,467	15,988	17,191	14,170	10,530	10,901	10,407
Building Materials/Farm Tool	15,315	20,640	25,610	23,880	27,902	21,372	26,234	31,855	31,526	28,604
Auto Dealers & Supplies	45,569	59,178	67,884	65,651	87,179	68,634	81,632	84,590	91,987	81,918
Service Stations	22,227	22,055	24,158	24,528	19,220	21,332	20,495	22,249	24,552	27,983
Other Retail Stores	16,408	16,647	17,509	16,592	17,822	19,081	23,876	22,561	21,830	21,488
Total Retail Stores	191,383	221,471	246,601	252,552	285,957	273,066	299,410	318,910	330,887	321,212
All Other Outlets	50,097	50,867	62,180	63,133	64,778	76,237	105,425	96,852	97,866	91,310
TOTAL	241,480	272,338	308,781	315,735	350,735	349,303	404,835	415,762	428,753	412,522

PERMITS:

Apparel Stores	26	26	29	30	32	34	35	30	29
General Merchandise Stores	13	11	14	14	14	13	11	13	13
Drug Stores	10	9	10	10	12	12	11	12	12
Food Stores	39	37	37	37	36	41	44	41	40
Packaged Liquor Stores	3	10	8	6	7	7	5	7	7
Eating & Drinking Places	114	118	117	121	128	133	138	142	136
Home Furnishings/Appliance	42	36	39	38	38	40	41	39	35
Building Materials/Farm Tool	29	32	34	36	34	34	35	40	37
Auto Dealers & Supplies	47	47	57	54	53	52	58	62	58
Service Stations	28	29	27	26	17	15	17	18	17
Other Retail Stores	120	125	131	132	150	165	162	161	165
Total Retail Stores	477	480	503	504	521	546	557	565	549
All Other Outlets	666	706	769	820	873	1008	1074	1147	1053
TOTAL	1143	1186	1272	1324	1394	1554	1631	1712	1602

Source: State Board of Equalization, State of California

D. Taxable Sales Dollars (per capita)

Year	Taxable Sales (in thousands)	Population	Taxable Sales Per Capita (in dollars)
1985	315,735	41,323	7,641
1986	350,735	43,293	8,101
1987	349,303	45,773	7,631
1988	404,835	48,042	8,427
1989	415,762	49,221	8,447
1990	428,753	50,328	8,519
1991	412,522	52,539	7,852

E. Taxable Sales Dollars (percent of county)

	1985	1986	1987	1988	1989	1990	1991
Apparel Stores	12.3	12.1	12.4	13.6	13.4	12.1	12.0
General Merchandise Stores	11.2	11.1	10.2	9.2	9.5	9.6	11.1
Drug Stores	19.7	19.4	19.5	18.9	20.6	11.7	20.6
Food Stores	12.5	12.8	14.6	15.9	16.8	18.5	15.2
Packaged Liquor Stores	20.7	19.4	19.6	20.6	20.2	14.6	13.2
Eating & Drinking Places	13.6	14.6	13.6	13.9	14.0	14.2	14.0
Home Furnishing & Appliances	14.0	17.6	18.5	14.5	14.1	14.4	9.9
Building Materials / Farm Tools	19.3	20.8	15.0	10.2	14.2	10.4	11.7
Auto Dealers & Supplies	16.5	18.5	15.4	14.9	15.0	14.2	17.2
Service Stations	11.4	11.2	11.2	10.1	10.8	15.7	11.2
Other Retail Stores	N/A	N/A	N/A	N/A	N/A	N/A	7.0
Total Retail Stores	13.6	14.5	13.2	13.2	13.0	12.8	12.9
All Other Outlets	N/A	N/A	N/A	N/A	N/A	N/A	7.8
Totals All Outlets	N/A	N/A	N/A	N/A	N/A	N/A	11.3

Source: State Board of Equalization, State of California

F. Business Tax Certificates Issued

Type of Business	Number of Businesses	Percent
LOCATED IN LODI:		
Construction	312	9.60%
Manufacturing	137	4.21%
Transportation and public utilities	67	2.06%
Wholesale trade	157	4.83%
Retail trade	739	22.73%
Finance, insurance, and real estate	109	3.35%
Services	1520	46.75%
Other	210	6.46%
TOTAL	3251	100.00%
LOCATED OUTSIDE LODI:		
Construction	439	53.93%
Manufacturing	11	1.35%
Transportation and public utilities	8	0.98%
Wholesale trade	74	9.09%
Retail trade	61	7.49%
Finance, insurance, and real estate	4	0.49%
Services	178	21.87%
Other	39	4.79%
TOTAL	814	100.00%
GRAND TOTAL	4065	

Source: State Board of Equalization, State of California

While we have attempted to identify many of the requirements that apply to starting a small business, we cannot guarantee that this compilation is complete. This publication does not relieve people of the duty to ascertain what laws apply to their activities or the manner in which they must comply with those laws. All requirements and fees are subject to change.

Prepared by InfoWright
for the San Joaquin Delta College Small Business Development Center

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December, 1992

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Stockton, CA 95202
(209) 474-5089